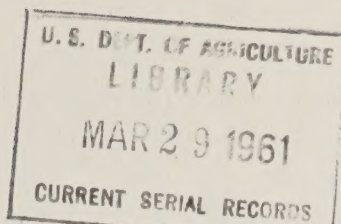


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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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Sales of farm products in the first 9 months of this year yielded slightly more money to farmers than in the same period of 1959.

Preliminary estimates place total cash receipts in the first 3 quarters at \$22.9 billion, nearly 1% above January-September 1959. Larger volume accounted for the increase...average prices to farmers were down 2%.

Crop receipts topped the first 9 months of 1959 by nearly 5%, because of larger marketings. Receipts from livestock and livestock products fell 2%, mainly because of lower average prices for the larger marketings of cattle and calves.

Volume of marketings will continue high in the months ahead. Favorable September weather boosted prospects for fall harvested crops...total crop output is now expected to exceed 1959 by 2½%. Average yields per acre for 28 leading crops are second only to 1958 record. New highs are expected for sorghum grain, peanuts, tobacco, and dry beans. Near-record yields are expected for corn and soybeans.

LIVESTOCK. Price changes for cattle and hogs this fall are likely to be moderate. Supplies of red meat, though increasing seasonally, will be smaller than last fall, with the drop in pork offsetting the increase for beef. Cattle prices are expected to hold near current levels. The seasonal reduction in hog prices may be less than usual.

MILK. Production continues to maintain a slight gain over last year, though declining seasonally. Prices have been rising seasonally and continue a little above last year.

EGGS. Production in September fell 3% below a year earlier and the mid-month average price to farmers was highest since late 1958. While the Nation's laying flock set a new record in rate of lay per bird, the flock was 4% smaller than a year earlier. An 11% reduction in the number of pullets on farms indicates that the laying flock will continue smaller than a year earlier through mid-1961.

CHICKENS. Broiler chick placements recently have been 15 to 20% above 1959. This indicates large marketings and weak prices in late November and December.

Prices of hens for meat have gone down less than usual this fall. Rise in prices for eggs has slowed down culling of older birds from laying flocks. Also, supplies are small because of the decline in the flock.

SOYBEANS. The crush during the 1959-60 marketing year is estimated at 395 million bushels, 5 million below the record of the previous season. Both domestic use and exports of soybean oil reached new peaks. Meal exports also were record



high and domestic disappearance was large. Prices during the past season were unusually stable and averaged 12¢ per bushel above the national average support.

Supplies in 1960-61 are likely to fall just a little below 1959-60. Not much change is likely in the quantity crushed, or in exports of beans.

FEED. Grain production is now expected to fall only a little below the 1959 peak, as prospects for corn and sorghum grain improved last month. Output will be more than enough to maintain disappearance at the record rate of 1959-60, indicating stocks will increase further during 1960-61.

Mid-September prices for feed grains averaged 3% lower than a year earlier. High protein feed prices were down 1%. Big supplies probably will keep feed prices below last year through the fall and winter.

WHEAT. Prices recently have been close to or above the effective support in every major market. Large quantities of wheat from big 1960 crop have been placed under loan, marketing by growers has been slow, and export sales large.

RICE. Large exports reduced the August 1 carryover more than a fifth from a year earlier. The 12.1 million cwt. total was far below the 1956 record carryover of 34.6 million. Further reduction in stocks is likely in 1960-61. Domestic use will be about maintained and exports will be large, though probably smaller than in 1959-60.

CITRUS FRUIT. The early and mid-season orange crop is forecast at 2% less than last year but 2% above average. Production in Florida is up from last year, despite damage from Hurricane Donna. Texas and Louisiana also show increases. Prospective crops in California and Arizona are down.

Grapefruit production is expected to be slightly above last year, but 2% below average. Increases in Texas where production is trending up more than offset decreases in other States.

POTATOES. Fall crop which will provide supplies this winter is 4% above last year. Most of increase is in the east and central areas where prices this season are likely to average below 1959-60. Production in western States is only slightly above last year.

COTTON. Not much change in carryover is likely during the 1960-61 marketing year. Production was forecast as of October 1 at about 14½ million running bales, about equal to prospective disappearance. Exports are expected to be around 6 million bales, down 1.2 million from last year but still high. Domestic mill consumption may fall as much as half a million bales from the 1959-60 figure of 9 million.

TOBACCO. Cigarette output in 1961 is expected to top the 1960 record of 512 billion. Some further gain over the high 1960 level is likely for cigars. Output of smoking tobacco and snuff is not likely to change much, while chewing tobacco probably will continue to decline.

Some increase in tobacco exports is likely in 1960-61. Supplies of flue-cured, the major export type, are up, leaf prices are generally stable, economic activity abroad is at a high level, and cigarette consumption in many countries is increasing. However, expanding production abroad and trade barriers will tend to limit the increase.